

AG Contract No. KR99 1651TRN
ADOT ECS File: JPA 99-116
Project: G1050 83C
Section: Enterprise Way/Commerce Blvd.
ESP Improvements

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF SIERRA VISTA

THIS AGREEMENT is entered into 25 October, 1999,
pursuant to Arizona Revised Statutes, Sections 11-951 through 11-954, as amended, between
the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the
"State") and the CITY OF SIERRA VISTA, acting by and through its MAYOR and CITY COUNCIL
(the "City").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-401 to enter into
this agreement and has by resolution, a copy of which is attached hereto and made a part hereof,
resolved to enter into this agreement and has delegated to the undersigned the authority to
execute this agreement on behalf of the State.

2. The City is empowered by Arizona Revised Statutes Section 41-1513 and 28-7281 et
seq to enter into this agreement and has by resolution, a copy of which is attached hereto and
made a part hereof, resolved to enter into this agreement and has authorized the undersigned to
execute this agreement on behalf of the City.

3. The City has requested Economic Strength Project (ESP) funds in the amount of
\$203,770.00; the Arizona Department of Commerce and the Economic Development Commission
have recommended the approval of such funds for the City, and the Transportation Board has
approved the funding, for the construction of improvements to Enterprise Way and Commerce
Blvd., to provide improved access to a local business enterprise, and aid in the retention and
development of local business, hereinafter referred to as the Project.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as
follows:

=====

NO 23648
Filed with the Secretary of State
Date Filed: 10/25/99
Debra Gayles
Secretary of State

By Dicky D. Shaenwood

II. SCOPE

1. The City will:

a. Insure the additional commitment of 80.68% of the total estimated Project cost, or \$850,730.00, whichever is more, from the City or other sources (not including ESP funds) to the Project. Accomplish construction of the Project by public bidding, in strict compliance with State procurement laws, rules and regulations. Upon completion, approve and accept the Project on behalf of the City and provide maintenance.

b. No more often than monthly, invoice the State for ESP funds (Arizona Department of Commerce, ATTN: Sandra Brown, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012), in an amount not to exceed \$850,730.00.

c. Provide the State a copy of the executed Project contract(s), and draw down and expend the State ESP funds no later than six (6) months after the effective date of this agreement. Provide the State detailed written reports of all ESP fund expenditures, supported by invoices, receipts or other suitable and appropriate documentation, and a final accounting report no later than thirty (30) days after ESP funds are fully expended.

d. Reimburse the State any funds received from the State under this agreement which are not specifically and directly expended in compliance with the ESP grant application, which is attached hereto and made a part hereof, and are subsequently disallowed by the State.

e. Provide the State (Arizona Department of Commerce, ATTN: Sandra Brown, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012) with quarterly Project status reports, and one year after completion of the Project, a written Economic Impact Report detailing the direct and indirect impact of the Project, to include jobs created, jobs retained and related data.

2. The State will:

Within thirty (30) days after receipt and approval of the ESP contract(s) and subsequent monthly progress payment invoices, reimburse the City for work completed on the Project funds in an amount not to exceed \$850,730.00.

III. MISCELLANEOUS PROVISIONS

1. The only interest of the Department of Transportation in the Project is to convey economic strength pass through funds for the use and benefit of the City by reason of state law under which funds for the Project are authorized to be expended.

2. The City agrees to indemnify and save harmless the State, or any of its departments, agencies, officers or employees, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the State of any of the provisions of this agreement. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, expenses of litigation and attorneys fees.

3. The total amount of ESP funds expended under this agreement shall not exceed 19.32% of the total Project cost. Should the Project not be completed, be partially completed, or be completed at a lower cost than the advanced amount, or for any other reason should any of these ESP funds not be expended, a proportionate amount of the funds provided under this agreement shall be reimbursed to the State.

4. This agreement shall remain in force and effect until completion of said Project, reimbursement and subsequent reports; provided, however, that this agreement, except any provisions herein for maintenance, which shall be perpetual, may be cancelled at any time prior to the award of a construction contract, upon thirty (30) days written notice to the other party. Further, this agreement may be terminated and the ESP grant cancelled by the State if the City, in the opinion of and by action of the Transportation Board, fails to pursue due diligence on the Project or in the performance of any of the terms of this agreement.

5. This agreement shall become effective upon filing with the Secretary of State.

6. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of State employees.

7. The provisions of Arizona Revised Statutes Section 35-214 pertaining to 5 year records retention by the City and audit by the State are applicable to this contract.

8. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

9. All notices or demands upon any party to this agreement, except as otherwise specified herein, shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

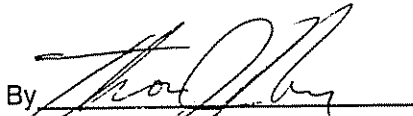
City of Sierra Vista
City Manager
1011 N. Coronado Drive
Sierra Vista, AZ 85635

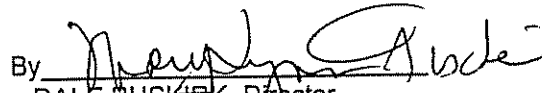
10. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF SIERRA VISTA

STATE OF ARIZONA
Department of Transportation

By 
THOMAS J. HESSLER
Mayor

By 
DALE BUSKIRK, Director
Transportation Planning

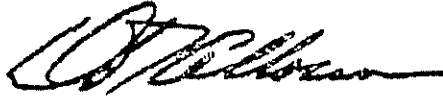
ATTEST:

By 
SANDRA L. KENNY
City Clerk

RESOLUTION

BE IT RESOLVED on this 19th day of July 1999, that I, the undersigned MARY E. PETERS, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the City of Sierra Vista for the purpose of defining responsibilities for conveying Economic Strength Program funds.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning for approval and execution.

A handwritten signature in black ink, appearing to read 'D. Allocco', written over a horizontal line.

DAVID R. ALLOCCO, P.E.
Assistant State Engineer
Engineering Technical Group
for Mary E. Peters, Director

RESOLUTION 4267

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA; REAFFIRMING SETTLED POLICY; AUTHORIZING THE MAYOR TO SIGN AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION TO ACCEPT \$203,770 ECONOMIC STRENGTH PROJECT FUNDS TOWARD THE CONSTRUCTION OF IMPROVEMENTS TO ENTERPRISE WAY AND COMMERCE BOULEVARD, TO PROVIDE IMPROVED ACCESS TO A ENTERPRISE; AND TO AID IN THE RETENTION AND DEVELOPMENT OF LOCAL BUSINESS; AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, it is mutually beneficial for the City and Arizona Department of Transportation (hereinafter referred to as "ADOT") to partner and enter into Intergovernmental Agreements; and

WHEREAS, the Arizona Department of Commerce and the Economic Development Commission have recommended approval of such funds for the City; and

WHEREAS, the Arizona Transportation Board has approved funding in the amount of \$203,770; and

WHEREAS, ADOT will provide \$203,770 towards the construction of improvements to Avenida Cochise, to provide improved access to a local business enterprise, and aid in the retention and development of local business; and

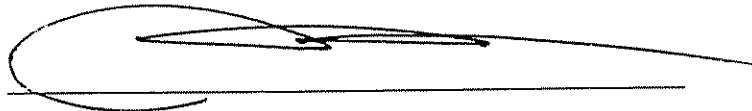
WHEREAS, ADOT has drafted an Intergovernmental Agreement attached hereto and made part hereof, reflecting ADOT's and City's commitment towards construction of improvements to Enterprise Way and Commerce Boulevard, to provide improved access to a local business enterprise, and aid in the retention and development of local business; and

WHEREAS, the City Attorney has reviewed the attached Intergovernmental Agreement and determined it to be legal and proper for the City to execute said Agreement with ADOT; and

APPROVAL OF THE SIERRA VISTA CITY ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION, and the CITY OF SIERRA VISTA and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

DATED this _____ day of _____, 1999.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a long, sweeping flourish that extends to the right.

City Attorney

ECONOMIC STRENGTH PROJECTS
REQUEST FOR PROPOSAL
FY 1999 - ROUND 2
January 21, 1999

APPLICATION FORM

NOTE: Additional information may be provided in attachments. Be sure to clearly reference and mark such additions and attachments.

1. NAME, ADDRESS, AND COUNTY OF APPLICANT(S):

City of Sierra Vista
1011 North Coronado Drive
Sierra Vista, Arizona 85635

Cochise County

2. TYPE OF ORGANIZATION OF APPLICANT: (Check one)

a) ☒ Local Government only

b) ☐ Private Non Profit / Local Government Joint Application:

Name of Non Profit Agency Involved

Name of Local Government Involved

3. Describe the function or purpose of applicant organization.

As a local government, we provide basic services such as public safety, streets, sewer and sanitation, and parks and recreation.

4. Name, address, and phone number of contact person(s):

Mr. Charles P. Potucek, City Manager
City of Sierra Vista
1011 North Coronado Drive
Sierra Vista, Arizona 85635
520/458-3315

5. Describe the private sector project or activity for which the related ESP funding is requested. **Attach documentation (written agreement between governmental agency and business entity assisted.)**

Currently, the Sierra Vista Economic Development Foundation is in the final stages of constructing a 45,000 square foot service base communication center for Aegis Communications Group, Inc. This center will utilize 450 workstations and will employ up to 1,000 individuals. The communication center is located within the city's industrial park with other companies such as Lutz Machinery, TRW and Federal Express.

6. Describe the Economic Strength Project for which funding is requested. Describe how the ESP project supports/relates to the private sector project described in #5 above.

There are a number of public off-site improvements related to the Aegis project that the city is requesting ESP funding. The improvement project* includes:

- Improvements to Enterprise Way/Commerce Boulevard: Extend Enterprise Way and Commerce Boulevard approximately 2,000 linear feet. This extension would involve construction of a new 44 foot wide industrial/commercial street per City Code. This street would consist of 40 feet of asphaltic concrete pavement (3 inches thick over a 10 inch thick ABC base) and two, 2 foot wide by 6 inch high concrete curb and gutter sections. Also includes 500 linear feet of 5 foot wide sidewalk along Aegis facility on Commerce Boulevard.
- Improvements to Columbo Avenue: Extend Columbo Avenue approximately 1,500 linear feet. This extension would involve construction of the center three lanes (44 feet in width) of a minor arterial street, per City Code. This street would consist of 44 feet of asphaltic concrete pavement (3 inches thick over a 10 inch thick ABC base) and 8 foot wide ABC shoulders along both sides. Also, required as part of this roadway extension is a reinforced concrete box culvert approximately 5-10 feet by 7 feet by 150 feet in size to accommodate a 4,900 CFS 100 year flow.
- Signing and striping along both streets: 13,000 linear feet of striping and 6 signs.

* See Exhibit A

The ESP project supports the private sector project, the Aegis project, by creating safe, efficient and aesthetically-pleasing roadway improvements required to support the Aegis facility.

7. Describe how the private sector project fits into the community's overall economic development efforts.

Aegis will bring 450 jobs with expansion to 1,000 jobs within the first 2 years of occupancy. The expansion of the call center in Sierra Vista will improve the quality of life for the residents of Sierra Vista by creating new employment opportunities.

8. Describe how the supporting ESP project fits into the Community's overall economic development efforts.

The off-site improvements will result in the physical joining of the education complex (Cochise College and The University of Arizona, Sierra Vista Campus) and the Commerce Crossroads Industrial Park. Aegis Communications and TRW are presently utilizing training grants from the Department of Commerce at The University of Arizona, Sierra Vista Campus and Cochise College with this arrangement continuing into the foreseeable future.

The road construction is being proposed to eliminate traffic congestion from the facility by providing a second means of egress. While the city is currently attempting to stagger work shifts for various employers in the area, the number of jobs being created will require infrastructure accommodations in order to maintain road safety during peak commuting hours.

9. How will ongoing maintenance and repair be provided for the ESP project after construction/improvement?

The City of Sierra Vista's Public Works Department uses an automated street inventory and maintenance system to prioritize preventive maintenance for our streets.

10. Description of ESP project. (Check one)

- a) ☐ This is an existing roadway.
b) ☒ This is a new roadway (with major drainage crossing).
c) ☐ This is a bridge.
d) ☐ This is an underpass.
e) ☐ Other:

11. Where is the private sector project located that is supported by this ESP project?

The Aegis facility is located in the corporate city limits of Sierra Vista on approximately 10 acres of land. Specifically, the land is a portion of the northwest quarter of Section 31 township 21 south, range 21 east.
(See Exhibit A)

12. Where is the ESP project located? (Note: Attach site map(s) to the application.)

- a. In the community:

The ESP project is located in the corporate city limits of Sierra Vista between the Aegis facility and the extension of Columbo Avenue adjacent to Cochise College.

- b. In relation to the related private sector project:

The ESP project is located east of the Aegis facility in Sierra Vista.
(See Exhibit A)

- c. In what legislative district:

District 8

13. What is the length (in feet/miles) of the ESP project? Approximately 3,500 linear feet
14. What is the width (in feet) of the ESP project? Approximately 45 feet

In the jobs section below (Q15 - Q17), applicants must provide employment- and wage-related information for the private sector employers (existing or new) which the ESP fund is supporting. If these projects do not generate certain categories of jobs (job creation, job retention or seasonal jobs), those sections should be left blank.

15. JOB CREATION

a. Construction Phase

Does your project create any public or private construction jobs?

Yes (X)

No _____

If yes, complete the following; otherwise go to Q15.b.

- | | |
|--|----------|
| (1) Number of construction jobs directly created by private sector | 40 |
| Number of days or months the construction jobs would last | 6 months |
| Average hourly wages | \$18.00 |
| (2) Number of construction jobs directly created by ESP project | 25 |
| Average number of days or months the construction jobs would last | 6 months |
| Average hourly wages | \$18.00 |

Note: List and provide the above information for each employer included in or supported by your ESP application.

b. Operation Phase

- | | |
|--|--------|
| (1) Number of full-time permanent direct jobs created (Year 1) | 650 |
| Average hourly wages | \$8.95 |
| (2) Number of part-time permanent direct jobs created (Year 1) | 200 |
| Average number of hours per week | 26 |
| Average hourly wages | \$8.95 |

Note: List and provide the above information for each employer included in or supported by your ESP application.

16. JOB RETENTION

- | | |
|---|--------|
| a. Number of permanent full-time direct jobs retained | 800 |
| Average hourly wages | \$8.95 |
| b. Number of permanent part-time direct jobs retained | 200 |
| Average number of hours per week | 26 |
| Average hourly wages | \$8.95 |

c How would the lack of the ESP project cause, or contribute to, the loss of these directly effected jobs?

It could impact the future expansion of Aegis.

Note: List and provide the above information for each employer included in or supported by your ESP application.

17. SEASONAL JOBS

If seasonal jobs are a significant part of the operation of private businesses for which you have applied for ESP, complete the following. Otherwise, go to question 18.

- a. Number of seasonal jobs created _____
 Average number of days per year _____
 Average hourly wages \$ _____
- b. Number of seasonal jobs retained _____
 Average number of days per year _____
 Average hourly wages \$ _____
- c. Further Clarifications

- (1). Are the seasonal jobs created or retained for one year, or would they be occurring on an on-going basis year after year? _____

Note: List and provide the above information for each employer included in or supported by your ESP application.

18. Capital Investment.

- a) What kind of new, additional capital investment will be made by the private sector business or industry assisted by this ESP project? (Building, equipment, etc. at this site).

Aegis Construction/Equipment - \$8,950,000

- b) What is the purpose and dollar value of the new, additional capital investment that will be made by the private sector business or industry assisted by this ESP project?

\$ 650,000	for Facility Acquisition
\$2,800,000	for Tenant Improvement
<u>\$5,500,000</u>	for Industry Equipment, Hardware, Furniture
\$8,950,000	Total

19. Cost/Benefit Calculation

What is the likelihood that benefit resulting from the project will exceed the costs of the project? Show detail of cost/benefit analysis used to determine the net benefits of this project. Note: Included in this analysis should be the projected annual taxes (real and property) to be generated by the planned retail stores and other businesses being assisted and the taxes (state and local) to be paid by the workers who will be employed by these businesses.

Full-time employees (construction - 40 employees x \$18 for 6 mos.)	\$ 748,800
Part-time employees (construction - 26 employees x \$18 for 6 mos.)	<u>468,000</u>
Total benefit (construction)	\$ 1,216,800

Full-time Operations	\$12,100,000
Part-time Operations	<u>2,420,000</u>

Total Operations	\$14,520,000
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Tax Revenue:

State Income Tax	\$ 166,000
Property Tax	<u>34,000</u>

Total	\$ 200,000
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Total Measurable Benefits \$15,936,800/Project Cost \$1,054,500

Benefit to Cost Ratio = 15.1 to 1

Personal or real?

20. What community(ies) will benefit from this project? How will each listed community benefit?

While the City of Sierra Vista will be the primary benefactor, other communities around southeastern Arizona (e.g. Bisbee, Benson, Douglas and Tombstone) and Northern Sonora, Mexico (e.g. Naco, Cananea and Aqua Prieta) will also benefit to provide an increase in regional employment opportunities.

21. List the names of local economic development organizations, and a contact person for each, which are involved with this private sector project. **Attach documentation (letters of support, etc.) showing the involvement and level of support of each organization.**

Mr. Barry Albrecht, Executive Director
Sierra Vista Economic Development Foundation
Post Office Box 2380
Sierra Vista, Arizona 85636
520/458-6948

(Attachment C)

22. What is the total cost of the entire project? \$8,950,000

23. What is the total cost of the ESP portion of the project? \$1,054,500

24. Complete and attach the Budget Detail Schedule (Attachment A).

25. Complete and attach the Sources and Uses Schedule (Attachment B).

26. Of the total ESP project cost listed in #23 above, how much financial assistance are you requesting from the Economic Strength Projects Fund? \$250,000

27. List the sources and amounts of matching funds (both private and public) that will be a part of the total direct ESP project cost.

a) Public Funds:

(1) Name of public entity contributing the match.	Amount
City of Sierra Vista	\$232,500

Total	\$232,500
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(2) In-kind match contributed to the project.

- Type of match (force account labor, construction management, materials, etc.)	Amount
---	--------

_____	\$ _____
_____	\$ _____
Total	\$ _____

b) Private Sector funds:

Name of private sector company(ies) contributing matching funds to the ESP project, (if any)	Amount
Bella Vista Ranches	\$572,000

Total	\$572,000
-------	-----------

28. Local utility or other infrastructure expenditures:

a) What indirect local public utility or other infrastructure expenditures will need to be made in connection with (1) the private sector project, and (2) the ESP project? For example, expansion of water or waste water treatment facilities due to demands of the new business which the ESP project is assisting; extension of utility lines, major drainage improvements, etc.).

US West Telecommunications Infrastructure	\$410,000
Electrical Utility	\$12,500

29. How will the infrastructure expenditures listed in #28 above be funded?

Private entity contracted with public utilities.

30. How soon after receiving approval of your ESP proposal could you begin construction on:

(a) The private sector project?(e.g., days, months)

Construction is currently underway.

(b) The ESP project?(e.g., days, months)

The ESP project will begin immediately regardless of ESP approval.

31(a). How long will the private sector project take to complete from start to finish? (e.g., days, months)

6 months

31(b). How long will the ESP project take to complete from start to finish? (e.g., days, months)

12 months

32. List below the major milestone activities to be completed in the project and the time schedules for each. Note: Include the construction dates and purchase dates of the capital investments of the private sector.

ACTIVITY	START DATE	END DATE
Project Design	May 1999	August 1999
Construction	September 1999	April 2000
Inspection/Acceptance	May 2000	June 2000

33. Is there any opposition to either the private sector project or the ESP project? If so, from whom and what is the nature of the opposition?

No opposition

34. Is project located in _____ disadvantaged area of state?
(X) _____ rural area of state?
_____ Enterprise Zone area of state?

35. Has this applying entity ever received any previous ESP grant funds.

NO _____ YES X

DATE RECEIVED: FY 1994 - Round 1

AMOUNT RECEIVED: \$188,124

Max Club Division of SuperValu, inc. did construct and open a 70,000 square foot warehouse retail facility; however, we the store closed in June, 1995 when SuperValu, Inc. declared bankruptcy. In May 1996, Sutherlands Lumber purchased the facility and renovated the building. Sutherlands maintains a payroll of approximately 55 individuals at an average hourly salary of \$7.50.

DATE RECEIVED: FY 1998 - Round 1

AMOUNT RECEIVED: \$200,453

The developers of the Mall at Sierra Vista are in the process of constructing the 383,000 square foot indoor shopping mall.

(List if more than one.)

Note: IMPORTANT!! If yes, UPDATE PERMANENT JOBS, DIRECTLY CREATED AND/OR RETAINED, FOR EACH GRANT LISTED.

36. Certification:

I certify that this project is compatible with other transportation facilities and conforms to all applicable construction and engineering standards.

NAME: Michael J. Hemesath, P.E.

DATE: March 4, 1999

TITLE: Director of Engineering Services

SIGNATURE: 

NAME OF CONTACT PERSON: Charles P. Potucek, City Manager

TELEPHONE NUMBER: 520/458-3315

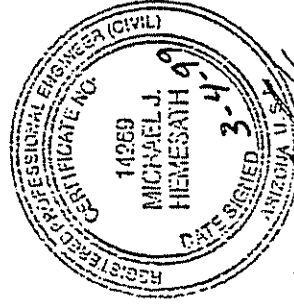
ATTACHMENT A

ECONOMIC STRENGTH PROJECTS - BUDGET DETAIL SCHEDULE

Note: No contingency costs are to be included in the total project costs.

ACTIVITY	LABOR OR UNIT PRICE	MATERIALS OR NUMBER OF UNITS	TOTAL CONSTRUCTION COSTS	ARCHITECTURAL/ ENGINEERING COSTS	TOTAL ACTIVITY COSTS	PROJECTED ANNUAL OPERATIONS & MAINTENANCE COSTS
Improvements to Enterprise Way (3" AC/10" ABC w/ C, G & S/W) (2 lanes w/ parking)	\$250,000	1 LS	\$250,000	\$17,500	\$267,500	\$5,000
Improvements to Columbo Avenue (3" AC/10" ABC w/ ABC shoulders) (3 lanes)	\$212,500	1 LS	\$212,500	\$14,500	\$227,000	\$4,000
RCBC Drainage Crossing (7-10' x 7' x 150')	\$500,000	1 LS	\$500,000	\$35,000	\$535,000	\$2,000
Pavement Markings & Signs (striping, RPMS and signs)	\$20,000	1 LS	\$20,000	\$5,000	\$25,000	\$1,000
Total					\$1,054,500	\$12,000

Signature of Registered Professional



[Handwritten Signature]

ATTACHMENT B

SOURCES AND USES STATEMENT

I. USES:

A. Private Sector Related

- | | | |
|----|--|-------------|
| 1. | Acquisition of Existing Building with land | \$ 650,000 |
| 2. | Site Acquisition (vacant land) | |
| 3. | New building construction | |
| 4. | Remodeling | \$2,800,000 |
| 5. | Machinery and Equipment | |
| 6. | Site preparation | \$5,500,000 |
| 7. | Other _____ | |

	Sub Total	\$8,950,000
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B. Public Sector Related

- | | | |
|----|--|-------------|
| 1. | Total ESP project improvements
(Grand Total of Total Activity Costs in Attachment A
and Item 23 in the Application) | \$1,054,500 |
| 2. | Local public sector improvements
(Infrastructure improvements directly related to the project and located on or
contiguous to the project site. Do not include ESP related costs here) | \$ 422,500 |

- | | | |
|----|-------------|----------|
| 3. | Other _____ | \$ _____ |
|----|-------------|----------|

C.	Total Uses	\$10,427,000*
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II. SOURCES:

- | | | |
|----|---|-------------|
| A. | Private sector project investment ((Item 18 b) Total)) | \$8,950,000 |
| B. | Local public sector (direct project related) | \$ 422,500 |
| C. | Economic Strength Projects Fund (State funds) (Item 26) | \$ 250,000 |
| D. | ESP match | |
| | (2) From the public sector ((Items 27 a)(1)(2) &(3)) | \$ 232,500 |
| | (1) From the private sector ((Item 27 b)) | \$ 572,000 |

- | | | |
|----|-------------|--|
| E. | Other _____ | |
| | \$ _____ | |

F.	Total Sources	\$10,427,000*
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* Total Uses (I.C.) must equal Total Sources (II.F.)

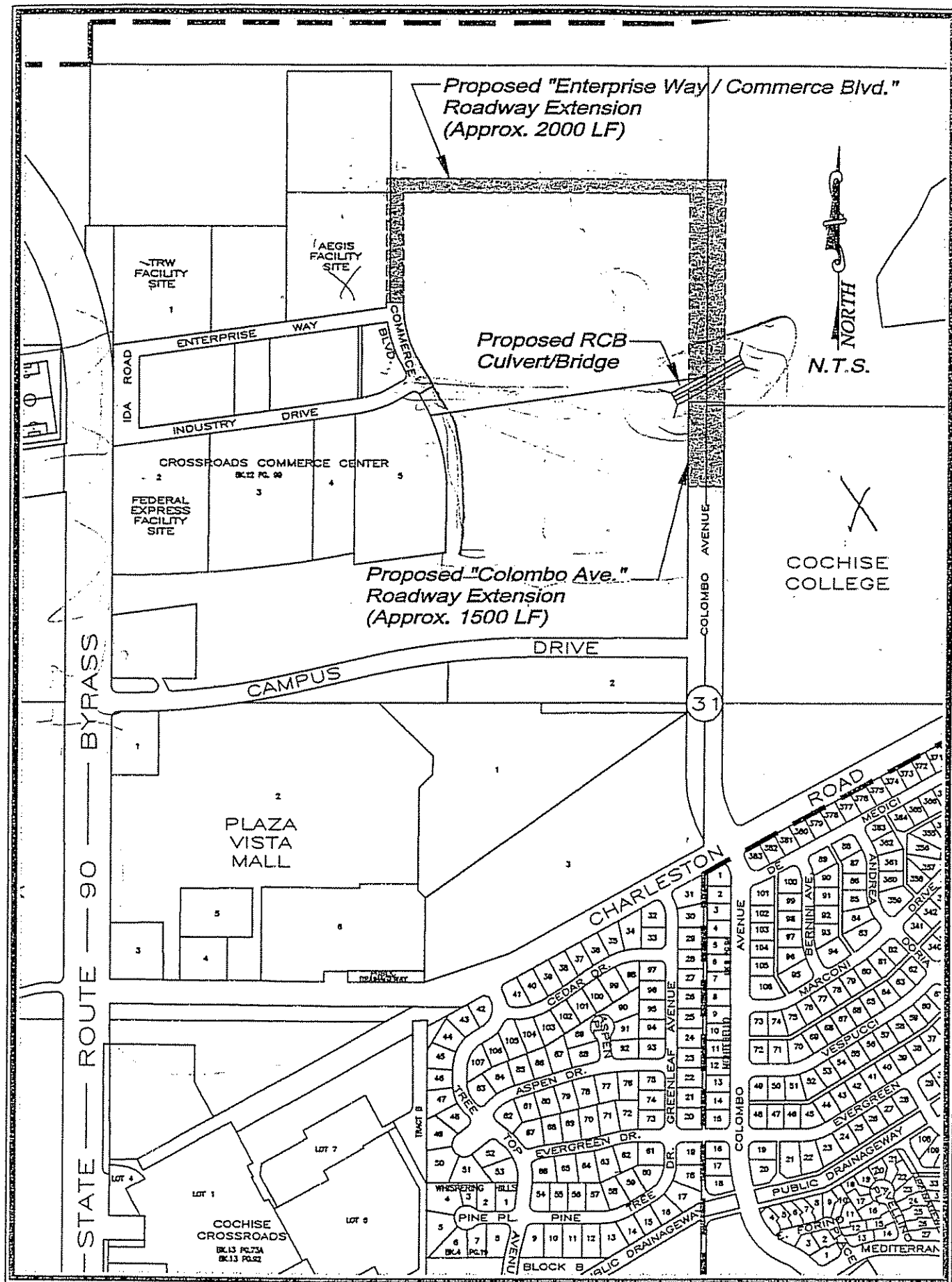


EXHIBIT "A"



STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

JANET NAPOLITANO
ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX, AZ 85007-2926

TRN Main: (602) 542-1680

Direct: (602) 542-8837

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MAIN PHONE : (602) 542-5025

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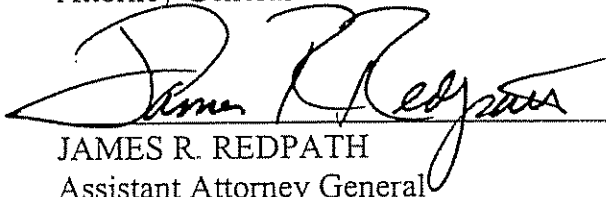
INTERGOVERNMENTAL AGREEMENT
DETERMINATION

A.G. Contract No. KR99-1651TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED October 18, 1999.

JANET NAPOLITANO
Attorney General


JAMES R. REDPATH
Assistant Attorney General
Transportation Section

JRR:et/93302

Enc.